

McCamly Hotel/Complex Presentation to City of Battle Creek – ARPA Workshop

Hotel

- 15 story (plus basement) - 239 room hotel
 - 180,334 SF
 - 2.45 acres
 - Built: 1981
- 16,000 SF of meeting and pre-function space
 - Last significant renovation: N/A
 - Closed in 2019
 - SEV: \$1,470,484
 - Annual Taxes: \$97,000.65



Unit 2 (mall/plaza)

- 2 story commercial/office space
 - ~85,000 SF
 - 1.48 acres
 - Built: 1982
- Pre-function space for Kellogg Arena
 - Indoor corridor to parking ramp
 - Last significant renovation: N/A
 - SEV: \$713,120
 - Annual Taxes: \$47,148.70

Total Combined

- 265,000 SF
- 3.93 Acres
- SEV: \$2,183,604
- Annual Taxes: \$144,149.35

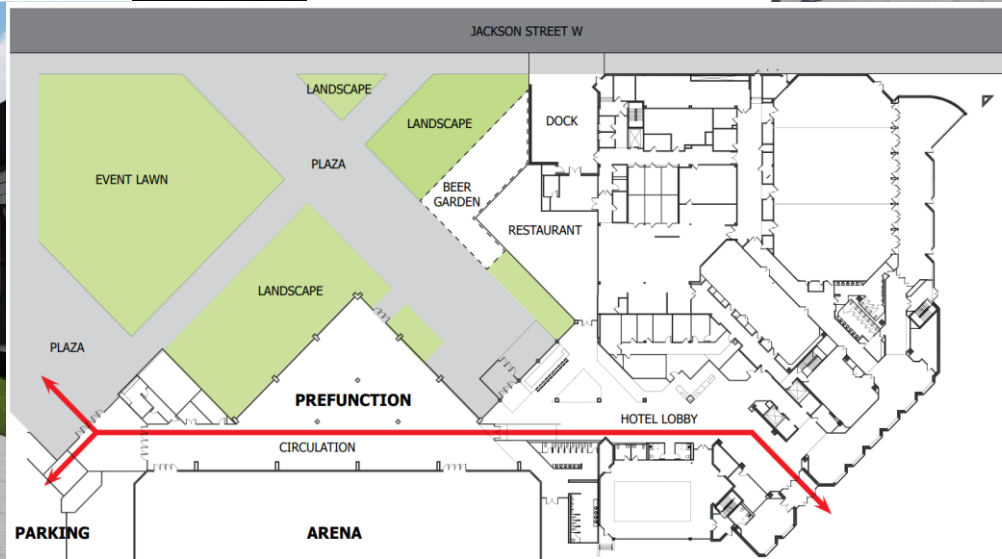
Current State of Facility



Conceptual Renderings of Renovated Property into DoubleTree by Hilton



Plaza/Mall (Unit 2) Replacement Concepts/Renderings



Proforma/Financial Summary – Hotel/Complex

Estimated total costs: \$59,200,104

Hotel: \$46,494,069

Unit 2: \$12,706,045

BCU cash invested in addition to structured debt: \$4,000,000

(monthly holding costs: ~\$20,000 - \$30,000)

Appraisal of Hotel: As stabilized = \$20,000,000 (figure bank looks at for loan to value ratio).

Typical bank lends on 65% LTV = \$13,000,000 in this case). **As industry recovers future appraisals could improve.**

Needed equity stake = ~\$29,048,591

Leveraged Dollars/Community Partners (* = committed; just name listed = financial request made)

*Battle Creek Unlimited; *Calhoun County CVB; *Kellogg Company; *Miller Foundation; *WKKF; BBCH Community Partners; BCCF; Binda Foundation; Calhoun County; City of Battle Creek; Consumers Energy; and MEDC/State of Michigan.

Economic Impact Numbers – Just Hotel

Operational Economic Impact Numbers:

Ongoing Operational Jobs: 163 (pre covid estimates*)
Operational Revenue Year One: \$7,016,172
Visitor Expenditures Year One: \$4,399,007
Payroll Year One: \$2,430,000
Payroll Year Five: \$5,053,000
Local Tax Impacts Year One: \$607,090

Visitor Expenditure Numbers (2023):

Dining/Groceries: \$2,686,144
Transportation: \$365,194
Entertainment: \$515,205
Retail: \$1,010,184

Construction/Trades

Jobs: 207
Output: \$43,878,000
Value-Added: \$20,763,000
Personal Income: \$8,444,000

Tax Impacts (2023)

\$713,470
Reaches \$1M in 2028/2029

Uniqueness/Community Benefit

The plan is to work with our local resources/partners to create a “Teaching Hotel” as exposure to the hospitality industry. This will create opportunities for not only exposure to career opportunities for our youth and residents, but it will also create job opportunities for both our youth and residents. Hiring practices will have a major equity component via 50 CADC.

Planned Timeline

- Hard Bids/Estimates Solidified for Phase 1 – Complete
- General Contractor Identified – Complete
- Hotel Operator Solidified – Complete
- Hotel Flag Applied for and Obtained - Complete
- Construction Start for Phase 1 - Q3 2021
- Close on Unit 2 – Q3 2021
- MEDC/State of Michigan Support Solidified – Q3/Q4 2021
- Capital Stack Finalized/Close on Loan - Q3/Q4 2021
- Complete and Operational - Q4 2022/Q1 2023

Battle Creek City Commission Consideration

- **ARPA qualifications much broader than just contributing to a single hotel/complex**
- ARPA - Aid provided to tourism, travel, and hospitality industries should respond to the negative economic impacts of the pandemic.
- Job creation – LMI households/equitable hiring practices
- Construction jobs/trades
- Hotel overflow throughout county (ability to host large events with improved complex)
- Increased spinoff spending in the hospitality industry (bar/restaurant/small business recovery). Captures leakage spending going to other communities
- Increased tourism ability/local spend
- CVB – increased hotel rooms in county
- **Hotel/Complex philanthropic grant dollars leveraged dollars = \$26,548,591**
(\$59,204,104 estimated total project cost)
- **Loan guarantee from philanthropic community of up-to \$13,500,000**

Thank You

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Q & A